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# deliver®

a magazine for marketers



## 4 TRENDS

to Help Demystify Your Marketing

*Marketing Makeover!*  
Beautify Your Brand  
in Just a Few Steps

**Up Close and Personalized:**  
How VDP Can Help You Stand Out  
From (and To) the Crowd

**PLUS Are You Loyal?**  
A Nonprofit Wants to Know

# Marketing Gets a Makeover

**A**s you'll see, this issue of *Deliver*® focuses on the increasingly innovative strategies that major marketers nationwide are using to give their brands a fresh look and feel. I guess it's fitting then that the magazine itself is also taking on a new face — namely mine. And as the new editor of this great publication, I'm genuinely excited about the prospect of exploring all that's in store for the marketing industry in 2010 and beyond.

I'm not just excited as an editor, either — but also as a longtime marketer. As manager of Marketing Mail for the United States Postal Service,® I've spent many years overseeing the development of new products and the management of direct mail, catalogs and periodicals. I hope I can use this experience to further enhance *Deliver* and provide you with even more of the great marketing advice and information you've come to expect.

Before we dive into what's in this issue, though, I'd like to take a moment to thank our previous editor, Cat Moriarty, for diligently toiling to build the magazine you're holding. In fact, she's done so well that Cat has been promoted to a new position within USPS.® I sincerely wish her the best and appreciate all she's done to maintain high standards here at the magazine.

And nowhere is that effort reflected more than in the content of this issue, which scrutinizes how smart marketers are taking advantage of current economic and technological challenges to reinvent themselves and better nurture customer relationships.

More marketers are turning to breakthrough technologies like variable data printing to help them transition from stale one-to-many messaging to more relevant one-to-one efforts. In fact, Xerox's 1:1 Lab (page 26) was created specifically to demonstrate the power of personalization. And the brands that have embraced it, like Ford Motor Co., are seeing strong results.

While some brands are simply overhauling their messaging, others have opted for complete makeovers. To this end, marketers from restaurant chains to municipal agencies are relying on mail to convey messages about rebrands quickly and easily (page 18).

Meanwhile, marketers at The University of Texas M.D. Anderson Cancer Center are using a loyalty program to raise awareness, boost donations and draw new supporters. (page 22).

But as 2010 approaches, where will innovation take us next? We study four areas — targeting, measurement, integration and prospecting — that should continue to spawn industry trends (page 14). And Rod DeVar of the USPS offers six reasons why direct mail will thrive in the new year (page 9).

So dive in and check out what we've packed inside. Whether you're refurbishing your brand or tweaking your messages, we've gone to great lengths to aid your marketing makeover. After all, we know what it's like to introduce a new face to customers.



Thomas J. Foti, Editor

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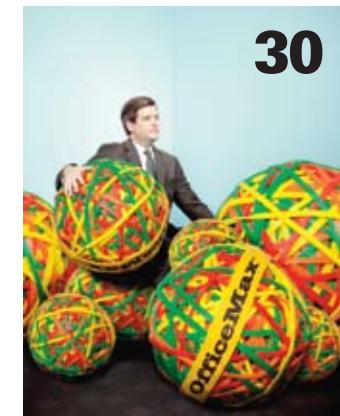
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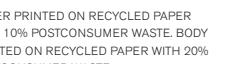
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Sprint hits one out of the park with a sports-themed dimensional mailer.



Even though more marketers are engaging with customers and prospects electronically, those that appear to be the most successful are keeping direct mail very much in the mix — primarily to drive traffic to a Web site or to stimulate interest in an electronic offer."

— Fran Green, chief revenue strategist for American List Counsel

# deliverables

A BRIEF LOOK AT SOME BIG ISSUES IN DIRECT MAIL



## Don't Join the Crowd

Reaching decision makers means not adding to the clutter

### Targeting

How do you get the attention of IT decision makers who are constantly bombarded by marketing messages? You send direct mail.

To promote its fiber-based network, tw telecom employed a promotion that began with a folded self-mailer featuring a repositionable note prompting recipients to query their name in a major online search engine.

On the results page, a customized pay-per-click ad took them to a URL where they viewed a personalized 90-second video on the benefits of tw telecom's new network.

The approach generated an 8-percent meeting rate — double what the company typically sees from a promotion, according to Tiffany Duncan, senior manager of marketing communications.

"Most marketers assume IT managers only will respond to online communications," Duncan says. "But pairing different mediums allowed us to cut through the clutter and interact with them on several different levels."

— Sandra Beckwith

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## MAIL SPEND TO RISE

DMA report predicts \$1B jump in direct mail spending

### Spending

In defiance of predictions about its decline, spending on direct mail marketing is expected to increase by more than \$1 billion in 2010, according to an annual study from the Direct Marketing Association.

The "Power of Direct" economic impact study released earlier this year reports that spending on direct mail will rise from the \$44.4 billion doled out in 2009 to \$45.5 billion next year.

The study also reports that non-

catalog direct mail continues to boast impressive ROI. According to the report, non-catalog direct mail returned \$15.22 for every dollar spent in 2009.

The report further points out that e-mail, once thought to be next big thing as a prospecting medium, drives fewer sales than most other channels. Commercial e-mail drove \$26 billion in sales in 2009. Non-catalog direct mail, by comparison, drove \$445.8 billion in sales in 2009. — Darrell Dawsey

## Advanced Viewing

Oversized windows entice recipients to find out what's inside

### Prospecting

Back in vogue are oversized-window envelopes that give recipients enough of a peek at the contents to convince them to open it.

The Wilderness Society — a Washington, D.C.-based nonprofit — adopted the larger windows for its bimonthly donor recruitment package, which it mails 2 to 3 million of annually. It now places the traditional single envelope used for the prospecting piece inside another envelope with an oversized window. And donors have taken notice.

When the double-envelope approach was tested against the single envelope, the oversized-window piece produced a 35-percent higher response rate, according to Robin Hickman, the group's director of membership services. She adds that a subsequent test also generated a higher response rate, proving that doubling your efforts really can pay off. — Paula Andruss



## GREENER CHOICE | NEW PAPER EASIER ON THE WALLET AND PLANET

### Innovation

Marketers now have a new cost-effective, eco-friendly choice for coated stock. Xerox's Digital C1S (coated 1 side) paper is ideal for single-sided printing, but also features a smooth, lighter surface gloss on the second side that gives it the advantage of a C2S (coated 2 side) paper at a C1S price. "It's perfect for marketers who

need to produce mailers featuring exceptional image quality with true color rendering," says Maggie Ochs, manager, Paper and Supplies Business Unit, Xerox Corporation. Additionally, the paper has received Forest Stewardship Council certification (SW-COC-002570), which ensures responsible use of forest resources. — Bob Butz

## Is Your Brand Being Ignored?

Maybe what you really need is some out-of-the-box thinking about what you communicate.

**W**hat's your brand stand for? We're guessing you probably work a lot on that one, don't you? You and your marketing team spend

hours crashing through strategy documents, pulling out nuggets of customer insights, determining differentiators in the industry and understanding what it is that makes your corporation unique.

And in the end, you have a vision of who and what your company is about. It's that vision that helps establish relationships with customers, win over prospects and get your company noticed in this increasingly chaotic and fragmented world.

Then, after all of that strategic work, comes the execution part of the marketing plan and you decide to go digital. You send an e-mail — which looks just like any other e-mail in your best customer's inbox.

Oh, we know, you finely tune the colors to match your brand (despite the fact you can't calibrate how that color appears on any one monitor) or you include photography and graphics (which don't download until the users request them) or you include the all-important link to your heavily branded Web site (although fewer than 10 percent click through).

So, maybe it's not the optimum branding experience, but it's cheap. Boy, is it cheap. And it's efficient — you can reach hundreds of thousands, heck, even millions in a single blast — and really, you're getting the word out there.

Then the economy picks up, but your sales don't jump as much, and at the next marketing meeting, as you're puzzling over the



**H** You could put something in your customers' hands ... the perfectly worded summation of what your brand is all about sitting right there in the hands of the people you most want to reach. It's right there at their fingertips.

there at their fingertips.

And inside that package, something amazing — something they could never get digitally. A sample, a tchotchke for their desk, a magnet for the fridge, a baseball bat, a brick, a salami — who knows? Something that's amazing and brilliant and relevant, just like your brand. A piece that says "Hey, I know you," and reminds that customer why he or she came to you in the first place and what your brand is really all about.

You could do that. But that's direct mail, and that's old school. No point in doing that, right?

STOCKBYTE, JUPITER IMAGES

## Economic Stimulus

Direct mail impacts more than brands' bottom lines.

Reporting by Lori Bremerkamp, **Illustration by Jude Buffum**

Direct mail doesn't just help brands take their marketing messages to business and consumer customers. It keeps millions of Americans employed each year. In fact, the medium employs more people than the federal government and motor vehicle/parts manufacturing industry combined, according to industry figures and the most recent Bureau of Labor Statistics data. So mail not only remains a valued marketing contributor, but an employer, which is important in a tough economy.



\*Career Guide to Industries, 2008-2009 edition, Bureau of Labor Statistics. †The Power of Direct Marketing, 2009-2010 edition.

Small windows of opportunity can yield big results if you understand your consumer, says Kara Forney, vice president and publishing director of TheBump.com. She adds that new parents right now are tech-savvy, Gen Y types who maintain high expectations for marketers while rejecting conventional hard-sell tactics. But direct mail is helping brands, such as Beech-Nut, connect with them. The company sends more than 5 million direct mail pieces annually.

Kara Forney  
Vice president and  
publishing director  
of TheBump.com

**69**  
Percent of new and  
expecting moms who  
use product samples  
received in pregnancy/  
parenting gift packs.<sup>1</sup>

# temporary marketing

**WHEN YOU'VE ONLY GOT A SHORT TIME TO CONNECT WITH A CONSUMER**, you'd better wow them with your message if you want their business. In the case of first-time parents, it's a finite window when they go from advice seekers to brand loyalists. The good news for marketers is that research from TheBump.com, a Web site for expectant and first-time parents with an active online community, shows this group is a cash cow — and they're spending on more than just baby products. — *Christine Hansen*

**4,351,000**

Projected annual U.S. birth rate in 2012.<sup>2</sup>

**New parents are looking to put their money toward more than just baby products:**

- **85%** set up a college savings plan<sup>1</sup>
- **82%** create a will/living trust/estate plan<sup>1</sup>
- **67%** book a vacation<sup>1</sup>
- **51%** purchase/lease a new or pre-owned car<sup>1</sup>
- **32%** purchase a home for primary residence<sup>1</sup>

**\$3,342**

The average spent during the first year of parenthood (including pregnancy, but not including gifts).<sup>1</sup>

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<sup>1</sup>: Statistics from "TheBump.com Second Annual Pregnancy and Baby Study," 2009. 2: "Projections of the Population and Components of Change for the United States: 2010 to 2050," U.S. Census Bureau.

ROD DEVAR

## Don't Call It a Comeback

**Six ways direct mail will thrive in the new year.**

**M**arketers are cost-conscious by nature. But last year's economic meltdown forced them to look even harder for efficiencies, and it's a mindset they'll keep as the market recovers. But through it all, direct mail has been — and will continue to be — a viable, effective marketing tool. Here's why:

**It's a strong acquisition tool.** Marketers like paying lower prices to search for new customers online, but they're often disappointed when these folks don't stick around. That's because targeting new acquisitions online is much less precise than sending a mail piece to prospects you know will likely be repeat purchasers.

**Technology continues to improve.** Variable data printing is letting marketers acknowledge customers as individuals. Not only will more marketers take advantage of it, those already using it will get smarter about their applications by using customer data to better track relationships and tailor content as wants and needs change. That's important because increased personalization makes direct mail more relevant to the end user.

**Newspapers are suffering.** As newspaper circulation dwindles, it will spur a significant migration to the mail by those marketers (particularly retailers) that need to reach a high number of people in a very targeted geographic location.

**Content marketing is on the rise.** Transpromotion and custom publishing are delivering marketing messages in more personal and relevant ways, with information woven right in the content — a plus for both marketers and recipients. Custom publishing continues strong growth because consumers like the quality, and with transpromotion the senders of statements and bills can include marketing messages that connect with how the customer is using their services.

**Clean lists are eco-friendly.** As marketers continue to address list hygiene, they'll be mailing more efficiently. Not only will that deliver a better return, it also is good for the planet because the number of wasteful pieces will decline.

**Mail will be even easier to track.** More marketers will begin using the Intelligent Mail® barcode, a new Postal Service™ barcode used to sort and track letters and flats. With it, they'll be receiving more detailed information than ever on how and when their direct mail is being delivered, as well as how customers are responding.

**4**  
**Before you kick off your 2010 efforts, know this: The recession has created new norms for the marketing realm.**

Before you kick off your 2010 efforts, know this: The recession has created new norms for the marketing realm. Many tried-and-true formulas for evaluating media effectiveness and accountability won't measure up to your heightened need to accomplish stronger results for less investment. But direct mail will continue to perform.

*Rod DeVar is manager of direct mail at the United States Postal Service.®*

8 delivermagazine.com

DECEMBER 2009

9

KEVIN HILLSTROM

## Will They Buy It?

Figuring out which channel motivated a sale can help you predict future purchase patterns.

From postcards to paid search, most brands use 10 to 20 microchannels to reach customers. So determining which ones are working and which aren't has become more critical—and difficult—for marketers than ever.

But there's something that compounds the problem: the evolving buying habits of customers. Say a customer referenced your catalog or direct mail piece during his or her last online purchase. Does that mean these print pieces are needed to influence future buys? Or will that customer simply go online after the first purchase without being prompted?

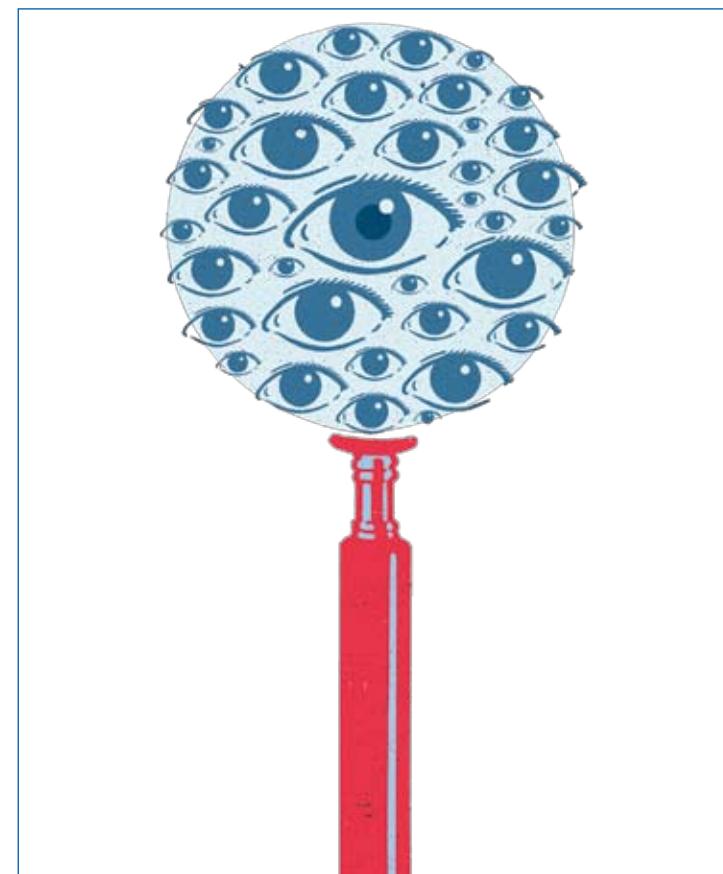
Tracking exactly what motivated customers to purchase will help you predict what they will do next—and allow you to take action by more effectively allocating marketing dollars.

To help my clients predict purchase intent, I developed a process called Multichannel Forensics, which takes actual transactions sourced from client databases and evaluates how their customers are interacting with products, brands and various microchannels.

If customers who purchased after receiving a postcard mailing respond to print again, then I suggest allocating more marketing dollars to print. If customers are only responding online and ignoring print, then I'll suggest allocating marketing dollars accordingly. If the customer uses both print and paid search, then I suggest maintaining a print budget.

However, there are some things to remember when thinking about print marketing in an increasingly digital age. It does drive a customer online to place an order. In fact, for many of my clients, 50 percent to 80 percent of all online orders come from customers who received print-based marketing in the past month or two.

But one of the most interesting things I've noticed is the interaction between print marketing and customer service. My projects continually



*Kevin Hillstrom is president of MineThatData (minethatdata.com), a consultancy that helps multichannel CEOs understand the complex relationship between customers, advertising, products, brands and channels.*

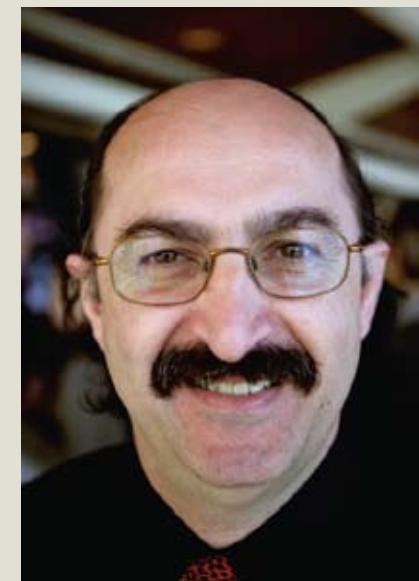


### Recession Room

**The economy is improving, but** marketers are still feeling the effects of the recession. That's why *Deliver*® offers columns and features designed to help you through the down times. So check out our "Rising Above the Recession" coverage for the latest on keeping your messages strong in any economy.

### Videos

*Deliver* doesn't just write about great marketing. We show it, too. Our video archive features a wide range of interviews, case studies and opinions from the industry's biggest names and brands.



CLOCKWISE FROM TOP: COURTESY SAMIR HUSNI / DORLING KINDERSLEY, GETTY IMAGES / ANDY CRAWFORD, DORLING KINDERSLEY, GETTY IMAGES / BEAU LARK, CORBIS

## Mr. Magazine's Read On Custom Pubs

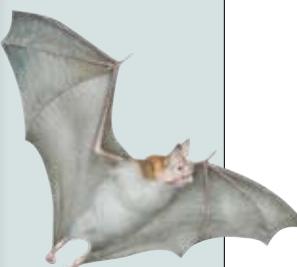
This week, *delivermagazine.com* catches up with Dr. Samir Husni, aka Mr. Magazine, for a two-part interview about the continued power of custom publications. Widely respected as one of the most astute observers of the magazine industry, the University of Mississippi professor and lecturer offers his insights on why custom publications and catalogs continue to resonate with consumers. In the first half of the discussion, he talks about the ongoing need for more brands to offer communications that are personalized and filled with content that offers relevant value to readers. He also reveals which brands are getting it right. In the second half, he talks about the evolution of print pieces and their future impact.

### Thought Leadership

#### Are you among those inundated

by requests to "prove" your marketing? Then check out our online exclusive, "These Times Demand Marketing that Pays Its Way."

This provocative column offers great advice to marketers desperate to demonstrate their effectiveness.



# on the web



**Brag Room** Looking for someplace to parade your latest brilliant mail piece? If so, the *Deliver* "Brag Room" is for you. A gallery of engaging pieces from our readers, the "Brag Room" has become a leading online spotlight for some of the best direct mail currently being sent out. Of course, we're always looking for more, so feel free to send your submissions anytime.



**Case Study** **SEE HOW PRINTER MAKER CANON** has been using direct mail to drive recipients to sign up for webinars that promote both print marketing and select Canon products.

### Steve Cuno offers a funny yet perceptive

take on how dimensional mail can appeal to even the most reluctant target when used properly. Log on to learn the power of lumpy mail.



**Can marketers really learn business lessons from nature?** Sure can. If you're curious how, just log on and dive into "How Vampire Bats Offer Lessons in Loyalty."

You'll find some fascinating business parallels to life in the animal kingdom—and get great advice on how to use these to trump competitors.

show that the most valuable customers tend to be those who are responsive to print marketing and require human interaction to place their order. In other words, when print marketing causes a customer to pick up the phone and speak with a live voice, or causes a customer to participate in a live chat session online, you end up with a customer who has higher-than-average, long-term value.

And as they become more loyal, they generally become less receptive to all marketing messages—they buy because they trust the company, not because of the advertising offered to the customer by the company.

## pushing the envelope



### THE ESSENTIALS

**AGENCY:** Euro RSCG (Chicago)

**CLIENT:** Sprint (Overland Park, Kan.)

**TARGET AUDIENCE:** 1,300 customers and prospects at companies with more than 1,000 employees

**GOAL:** Secure an in-person meeting between an account representative and a C-level decision maker

**DM VEHICLE:** A baseball-themed dimensional mailer containing a wooden baseball bat

**RESPONSE:** So exceeded expectations that the company continues to use the dimensional "cut through the clutter" mailer approach

# Going Deep

A highly targeted, baseball-themed mailer helps communications giant Sprint score with C-level decision makers.

By Sandra Beckwith

elling wireless services with baseball may seem a little odd, but Sprint's business-to-business marketers know that its efforts to reach C-level enterprise decision makers often need to take a different approach.

So when the industry marketing team saw agency Euro RSCG's idea for a unique dimensional mailing targeting C-level technology, information and operations leaders at larger client companies, they knew they had an idea that would help them score big.

The mailer, a rectangular box cushioning a wooden Louisville Slugger baseball bat, used a baseball theme to communicate the brand's key marketing messages in early 2008, before the current "Now Network" campaign was introduced. The goal? To get a face-to-face meeting between an account representative and the recipient.

Headlines like "Dominate the playing field," "Swing for the fences" and "Step up to the big leagues" helped the brand promote Nextel Direct Connect and location-based services solutions to recipients who were hand-picked by the sales force.

"We didn't use the typical purchased mailing list for this," explains Chris Horner, Sprint group manager for industry marketing. "It was an expensive piece, so we had to be smart about whom we sent it to. We asked our account teams to provide names of high-level decision makers they thought were ready to hear about this."

The mailer included a meeting invitation personalized with the senior account manager's contact information and an incentive to schedule that meeting: Each executive would receive a voucher for a professional baseball jersey for his or her team of choice after the in-person session.

"It was one of the most successful mailings we've done of this type," says Bronson Broockerd, Sprint general manager of direct, e-mail and mobile marketing. And while return on investment is hard to calculate with this type of solutions selling, Broockerd notes that the response rates are "extremely high."

Now that's a home run.

# MOD Marketing

We Reveal Four Marketing Trends Likely to Get Hotter in 2010 — and Show You How They Can Work for Brands of Any Size.

BY ANNE STUART  
PHOTOGRAPHY BY JIM WRIGHT



With the direct marketing industry in the grip of a series of upheavals, from the digital revolution to the economic meltdown, figuring out what's coming next is becoming progressively more difficult. Creating effective strategies based on these expectations is the toughest part of all.

And so, faced with one new challenge after another — from increasing costs for production and materials to rising environmental concerns among consumers — marketers have intensified their push to get ahead of the industry curve. This has led to a massive scramble to determine where the most significant industry trends for next year will emerge.

To help, *Deliver*® sat down with experts from around the country to attempt to divine what's in store for direct in 2010. While a number of potential trends were discussed, there were four key areas — targeting, measurement, channel integration and prospecting among baby boomers — that kept coming up as likely hot spots for growth and innovation.

As a result, we decided to take a closer look at these four fields and what possibilities they hold for marketers in the coming year.

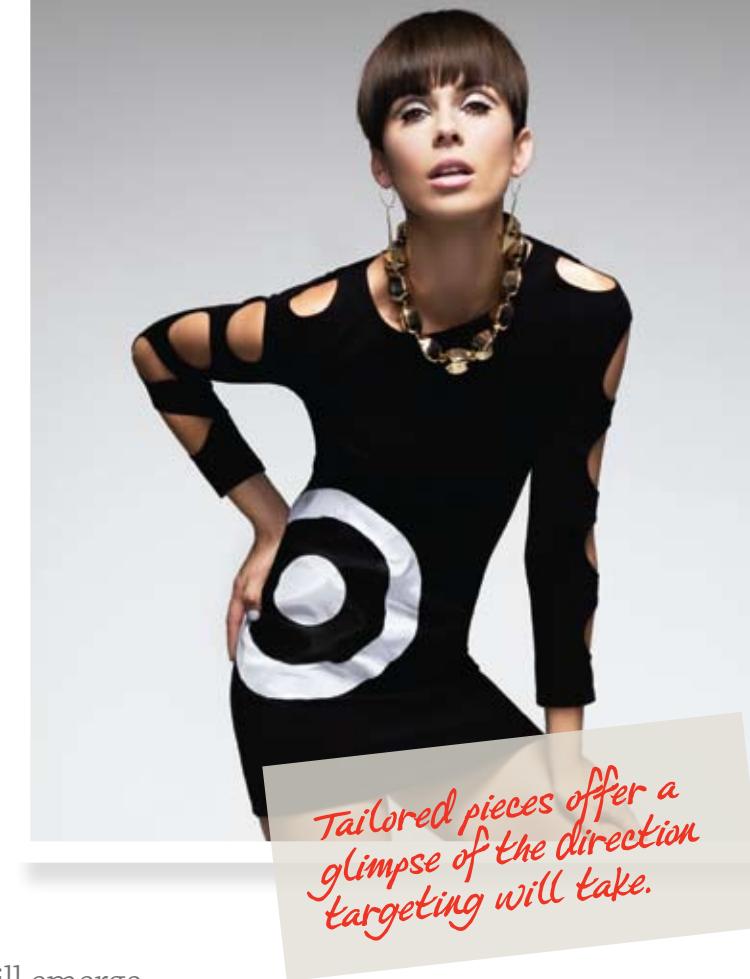
“batch blast”-style mailings — that is, using the mail as a saturation tool with little or no regard for rich personalization or the particular needs of the individual recipient.

Liz Miller, CMO Council vice president of programs and operations, sums up the trend: “We’re moving away from saying, ‘I want to connect with women who are 34 to 54’ to ‘I want to connect with that particular woman.’”

Such customized approaches are already possible, but to date, have typically included only recipients’ names and, in some cases, their locations. But, Miller says, continuing advancements in database management and variable data printing (VDP) have industry experts predicting more robust personalization techniques in 2010.

Backroads, an active- and adventure-travel company, is already learning the value of tightly focused personalization, especially for generating repeat business. The organization uses automated marketing engine technology from Nimblefish to mail thousands of postcards to past customers that contain not only personalized messages but also photos of regions recipients have traveled to in the past. “The message might say, ‘Barbara, remember Yellowstone in May 2002? Have another memorable trip — and here are three options,’ says Massimo Prioreschi, vice president of sales and marketing for the Berkeley, Calif., company.

Miller says these kinds of highly tailored mail pieces offer a good glimpse of the direction that targeting will continue to take in 2010. “That’s going beyond just putting one person’s name on a piece of paper,” she adds. “It’s saying, ‘We want to give you everything that’s relevant to you right now.’”

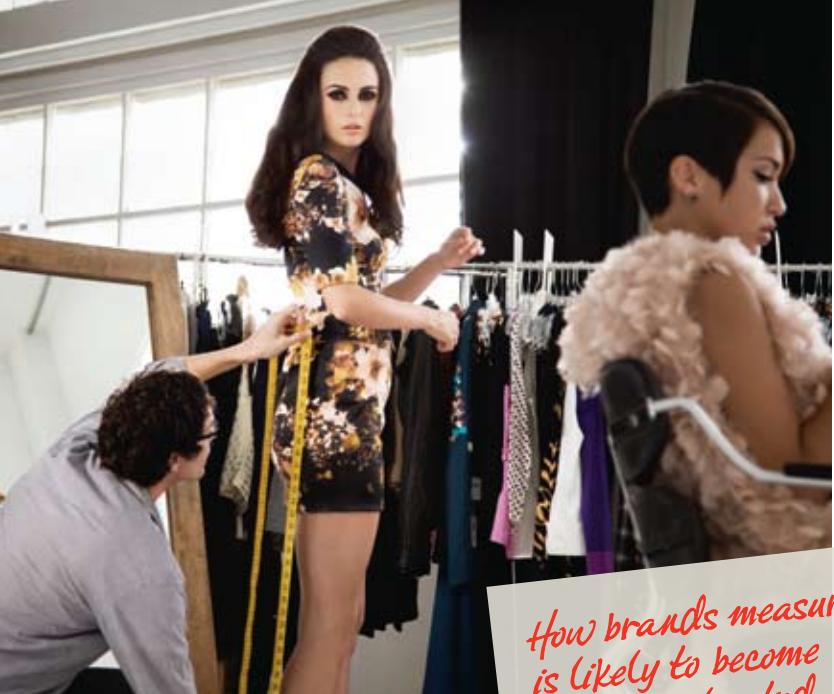


*Tailored pieces offer a glimpse of the direction targeting will take.*

## 1. TARGETING

If there’s a one-word formula for marketing success next year, it’s “precision,” industry leaders say. Traditionally, of course, the trend has been toward amassing as much information as possible about prospect and customer groups, then bombarding them with offers. But that approach is no longer viable.

According to a recent Winterberry Group report, the organizations struggling hardest are those that have depended most heavily on



## 2. MEASUREMENT / ANALYSIS

While the need to tally ROI has always been essential to marketers, they are more pressed to prove that their campaigns are impacting consumers and generating revenue.

Experts predict that, as measurement tools become more precise, how brands measure the return on their investment is likely to become more complicated. They will have to pay attention to a broader range of data, and companies will have to work even harder to make sure that other parts of the organization operate in conjunction with the marketing department.

The CMO Council's Miller recommends organizations extend their ROI measurement to the entire marketing supply chain. "Don't focus on the return at the expense of managing investment costs," she says. "Map, track, measure and put a dollar amount on everything you do."

She adds that marketers also will have to improve customer experience, mostly by learning to better mine data. Businesses like Harrah's Entertainment — owners of 54 casino and hotel properties worldwide — know the value of the detailed data their programs generate. The company's mail-driven loyalty program, for instance, has allowed its marketers to collect and analyze data on how often program participants visit their properties, how much members contribute to overall gaming revenue and what games of chance they prefer, among other things.

In-depth analysis of members' behavior lets Harrah's construct more effective messages, says David Norton, senior vice president and CMO for Harrah's. "If we know a player has been to past slot tournaments, we'll make sure he or she gets invited to the next one," he adds. "If they've never come to a mid-week event, we exclude them from mailings about mid-week events because, obviously, they're not going to respond."

## 3. INTEGRATION

In 2010, improved integration of channels, such as e-mail, direct mail, billboards and TV, will become more of a focal point for even the most reluctant marketers. "That's always been a goal, but the economy has made it imperative," CMO Council's Miller says.

And even though the past two years brought plenty of dire speculation about — and even premature eulogies for — the future of print marketing, the people who keep an eye on these things insist that traditional channels like direct mail will continue to earn their place at the marketing table in 2010.

"The favorite thing to say in 2008 was that, in 2009, print would be dead because everybody was going to e-mail," Miller recalls. "That didn't happen. Actually, both modes of communication took a hit during the past year."

For that reason, most marketers have found that online channels demonstrate greater value as a complement to direct mail applications, reinforcing the value of integrated programs, according to the Winterberry Group.

Backroads' Prioreschi says that postcard mailers his company sends also drive recipients to a personalized Web site with several highly targeted offers. "If someone went to Yellowstone, Alaska and Glacier National Park, we know there's a definite pattern there indicating he or she is a mountain wilderness person," he adds. Thus, the personalized site might include offers for upcoming trips to the Canadian Rockies or Himalayas, complete with slideshows and videos.

Prioreschi says integration is working well. During one campaign, sales were 50 percent higher among people who received a postcard and clicked through to a personalized site than those

who just visited the site on their own.

*Integrated approaches will be a focal point for even the most reluctant marketers.*



## 4. PROSPECTING

Since World War II, the 18 to 25 age range has been the sweet spot of American marketing. "There was a good reason for that," says Dr. Ken Dychtwald, founder and CEO of Age Wave, a San Francisco research and consulting firm that specializes in helping companies market to older customers. "Young people historically represented an area of growth because of their willingness to try new things. They were still forming their brand preferences. The idea was that if you captured their hearts at that stage, you had them for life."

And, of course, the postwar baby boom filled the sweet spot with tens of millions of potential young targets for marketers. Although the baby boomers have since aged, marketing experts say that, in many ways, they still represent a marketing sweet spot for industry innovators. Consequently, many in the industry are predicting a renewed focus on baby boomers in the coming year.

"People should be swooning over the baby boomers as they move out of youth and into middle age," Dychtwald says. "This is an age group that has traditionally been sidelined, but we're going to see growth in sectors catering to them."

*Look for the end of brand loyalty and the return of brand experimentation.*

"Reinvention is normal for this generation," Dychtwald continues. "They change careers many more times than their moms and dads did. They're willing to try new things. So if you think you can rest on your laurels — if you think you've got them for life — you're wrong. Today, everybody at every stage of life is open to marketing."

In courting boomers, he says, marketers also are reacting to another growing trend in marketing: the end of brand loyalty and the return to brand experimentation. People are more willing to try new brands than ever — and those over 50 years old are particularly open to these new messages, Dychtwald says. "They're more likely than any other group to read and respond to catalogs and direct mail pieces," he adds, citing research from the Direct Marketing Association. "They enjoy reading a good catalog and leafing through their mail looking for deals. Good pitches attract their attention. It's a mistake not to take direct marketing seriously for mature populations — and the time to start is right now."

Of course, the same could also be said about any of the other trends marketers are expecting to get bigger in 2010. **d**



BRAND X PICTURES, JUPITER IMAGES

# CORPORATE MAKEOVER

Giving an established brand a new look is not to be taken lightly. Fortunately, mail can be a great way to make the transition a bit smoother.

BY BRUCE BRITT

## AS THE NEW CENTURY DAWNED,

the Los Angeles County Metropolitan Transportation Authority was beset by image problems, not the least of which was its name. "It's six long words that ends in 'authority,'" says Michael Lejeune, the county agency's creative director. "That's about as cold, unfriendly and bureaucratic as you can get." The organization's old nickname, MTA, didn't inspire much excitement either, he says.

A worse problem, however, was declining ridership. Though more than 1 million Angelenos board county buses every weekday (with another 300,000-plus taking the Metro Rail lines), only 10 percent of area commuters were taking public transportation. "We need people to *choose* public transportation, because getting more people out of their single driver habit is key to improving," Lejeune says.

Sensing a connection between the drab image and limited ridership, officials at the transportation agency launched a full-on, multichannel rebranding campaign. This included a new emphasis on the popular name for the company,

"Metro." "All over the world, 'metro' means movement," Lejeune says. "Think of the Paris Metro or the Washington Metro. The word is shorter, friendlier and feels right." In addition, the agency repainted its buses and launched ads across multiple channels. A redesign of the old logo, which already incorporated the "Metro" term, completed the rebrand.

And to get out lengthier messages about the rebranding campaign, Metro turned to mail, sending out thousands of brochures and calendars to riders and employees to heighten awareness of its latest moves and, as Lejeune says, "to entice residents to try it."



**IN TRANSIT:**  
Mailers helped increase Metro Rail ridership by more than 40 percent.

Though mail is traditionally associated with direct marketing, the Metro campaign is one of many recent efforts that illustrate how major marketers also are embracing mail to help them rebrand their companies. Since a rebrand can be potentially confusing for consumers and even employees, marketers ranging from big-box stores to restaurant chains to municipal agencies are relying on mail marketing for its ability to convey substantive messages about a rebrand quickly and easily.

## REROUTING PERCEPTIONS

In the case of Metro, Lejeune and his team sent out more than 160,000 brochures to residents within a half-mile of its Orange Line route. The four-color brochures contained information about the new Orange Line route and, in an appeal to eco-conscious Angelenos, about Metro's new high-tech/low-emissions buses.

The agency also coordinated its mailings with other ad channels. For instance, Metro last year began mailing calendars that promoted a campaign dubbed "Opposites," originally launched in outdoor media. Featuring a stark black-and-white design scheme, the outdoor campaign showcases transportation problems and solutions. For example, one ad features a silhouette of a gas pump with the word "problem," while an opposing image of the Metro logo bears the word "solution."

Metro mailed about 4,000 "Opposites" calendars to 600 of its Employee Transportation Coordinators — volunteers at private companies who educate employees about transit options, promote ridesharing and work with Metro to get the latest on its programs and services.

Metro also created 10-second drive spots for local radio, ran twice-monthly insertions in more than 60 smaller papers around L.A. County and posted online banner ads on its site and high-traffic local sites.

So far, the campaign is working. Average weekday ridership on Metro Rail had jumped more than 40 percent by late 2008, and bus ridership on various Metro color-coded lines increased around 10 percent. Meanwhile, Lejeune and the Metro creative department have even captured prestigious awards for the rebrand. "The recognition has been very exciting for us," Lejeune says. "It's a validation that we're doing good work."

Of course, Metro isn't the only organization or business benefiting from the integration of mail into its rebrand.

## HIGH STEAKS

Take Cincinnati restaurateur Jeff Ruby. Fueled by his own larger-than-life image, Ruby built a culinary empire on what is known as "The Jeff Ruby Experience" — a combination of award-winning steakhouse cuisine, VIP service and upscale ambience.

It's a formula that initially came together in his flagship venue, Jeff Ruby's Precinct, which has attracted world-renowned entertainers, pro athletes and other luminaries for decades.

Problem was, as recently as a few years ago, many Midwestern food lovers were unaware that the five-star Ruby dining experience could also be enjoyed at more than just his namesake locations, including The Waterfront (a floating steak and lobster house with a Miami-South Beach vibe and raw bar) and Carlo & Johnny (situated in an old Cincinnati casino and Mafia hangout). Each restaurant has its own unique aesthetic, menu and patrons, but the company wanted to expand its brand equity to encompass the entire family of eateries.

"The challenge was coming up with a unifying theme while continuing to promote these restaurants individually so that they're able to live on their own," says Ben Stallard, who worked with the Ruby organization to guide the rebrand. "We asked ourselves whether Jeff Ruby Culinary Entertainment would be better served operating as a branded house or a house of brands."

After some careful consideration, Stallard pitched a simple idea: bolster the umbrella brand under which all Ruby restaurants would fall. Thus, an upscale steakhouse like Carlo & Johnny would become Jeff Ruby's Carlo & Johnny. "There was this huge piece of equity that the company owned in 'The Jeff Ruby Experience,' but people on the street would talk about it in pieces," Stallard says. "What we did was put it all together, articulating that Ruby brings his dining experience to every property he owns. To communicate that message, we agreed on a hybrid solution: It would be best if Jeff Ruby's became a branded house of brands."

They also determined that direct mail was one of the ideal channels to use to get out word about the rebrand. As part of the seven-month

initiative, Jeff Ruby Culinary Entertainment developed a list of people who had recently moved to the Cincinnati area and sent them cards hand signed by the general manager of a particular Ruby's restaurant.

The cards were die cut into oval shapes featuring Jeff Ruby's new logo on the front. Inside, recipients were treated to brilliant, four-color romance shots and food photographs. "The messaging was 'Welcome to the neighborhood, come in, ask for me (the general manager) and let me introduce you to the Jeff Ruby Experience,'" Stallard says. "It proved very successful, with people new to the area appreciating the outreach."

Further leveraging direct mail, Ruby pored over his private data, including his own mailing list, customer comment cards and promotions redemptions. The restaurateur then partnered with a national luxury-brands direct marketer that mails packets of gift certificates to patrons. Ruby's specified that it wanted to focus on recipients who had not recently visited a Ruby's restaurant. The standard postcard-sized gift certificates, included in a packet of similar offers from other upscale brands, invited customers to visit a specific Jeff Ruby's restaurant to take advantage of the special offer.

Though Stallard declined to specify just how many direct mailers were sent out (he would only say that they mailed "thousands" of cards and invitations), he notes that the combination of Ruby's private customer data, the mailing list of recent Cincinnati residents and direct helped Jeff Ruby focus his marketing outreach plan. "Instead of using only mass media like TV and radio to reach our target group, we identified direct as one of the most effective ways to reach them," Stallard says. "We were able to develop messaging much more specific to the wants, needs and mindsets of the people who drive our business."

**- BEN STALLARD**  
Independent consultant for Jeff Ruby Culinary Entertainment

saging much more specific to the wants, needs and mindsets of the people who drive our business. Direct is a tool that savvy organizations can use to be much more selective, focused and efficient."

During a time when many U.S. consumers are cutting back due to the economy, Stallard says the Jeff Ruby rebrand has helped the chain weather the downturn. In late 2008, Ruby launched Bootsy's, a Mediterranean fusion tapas restaurant operated in Cincinnati in partnership with the iconic R&B/funk entertainer Bootsy Collins. Ruby already operates two steakhouses in bordering Kentucky and Indiana, and now there's talk of expanding beyond the region into St. Louis.

"The Jeff Ruby brand has a comprehensive base to work from when it expands," Stallard says. "People won't have to wonder each time 'What does this place stand for?' If it's a Jeff Ruby restaurant, they'll know what it stands for." **d**

## When the Logo Has to Go

When companies rebrand, lots of forethought goes into overhauling the corporate coat of arms. Here, the brains behind the makeovers of the Metro and Jeff Ruby's logos riff on their work.



Old



New

**Old logo:** "Our old logo did not hold up well in certain necessary reproduction sizes. Also, it was too similar to another metropolitan transit authority's logo, which was copyrighted, so change was needed."

**New logo:** "This bold letterform is crafted in two parts, which our lead designer likened to two different roads that meet in the middle. The word 'Metro' is much larger, bolder and more easily read in all sizes. Also, the logo appears only in black and white. This is because we wanted to convey a strong, reliable, consistent presence through our logo."

— MICHAEL LEJEUNE, Creative Director, Metro (Los Angeles)



Old



New

**Old logo:** "Precinct, Waterfront and Carlo & Johnny didn't have the Jeff Ruby name attached, which was significant because 'The Jeff Ruby Experience' carries such positive equity. They were missing an opportunity by not obviously extending the identity across the entire platform."

**New logo:** "We maintained each restaurant's name and recognizable typographical look and feel by pulling the evolved font treatment into the oval shield. This associates each property with 'The Jeff Ruby Experience,' and gives each restaurant the flexibility to maintain those positive equities they've built on their own over time."

— BEN STALLARD, Independent consultant for Jeff Ruby Culinary Entertainment



# THE BEAUTY OF GIVING

A nonprofit cancer center is attracting support with a loyalty program that recognizes not only large gifts, but continuous giving — regardless of amount.

BY NATALIE ENGLER | ILLUSTRATIONS BY PETER KRAMER

When money is tight, even the worthiest causes feel the pinch. But The University of Texas M. D. Anderson Cancer Center has found a way to boost donations even as other charities are seeing declines. M. D. Anderson has created a multilevel loyalty program that rewards members not only by their gift size, but by their longevity as a donor regardless of amount. And it's proving to be the institution's single largest source of unrestricted money.

### A CLOSE-KNIT CIRCLE

To most people, loyalty marketing means frequent flyer miles or credit card incentives. But M. D. Anderson's donor loyalty club relies on a more subtle and personalized approach to cultivating relationships with long-term members. Consequently, the donor loyalty club is winning over a growing number of members.

The club offers an assortment of membership tiers — from its Century Club to its President's Associate Gold Level — which are defined by donors' cumulative gift sizes over a 12-month period. Meanwhile, M. D. Anderson also offers its "Partner's Circle," which is open to members who've given to the institution consistently for five years or longer.

The Partner's Circle sprang from the observation that people who gave a little bit of money continuously throughout their lifetime often ended up bequeathing the institution significant donations from their estates, says Cindy Lappetito, vice president and general manager at loyalty-marketing company Epsilon, which created M. D. Anderson's direct marketing campaign and donor loyalty programs. "The Partner's Circle gift program was a way to recognize those folks and reward them," she explains.

### GIVING THANKS

But the Partner's Circle isn't M. D. Anderson's only expression of gratitude. Annual stewardship letters are mailed to donors each August. These letters serve to express appreciation for the donor's commitment to M. D. Anderson and reference various ways in which the Annual Fund was utilized throughout the year. Recently, these stewardship pieces have also included useful refrigerator magnets, referral cards with the institution's important phone numbers, a cancer-screening insert and a "Donor Bill of Rights." In November, M. D. Anderson also sends Thanksgiving greeting cards with artwork created by a pediatric cancer patient who participated in the M. D. Anderson Children's Art Project.

Unusually, none of these mailings included a donation appeal. "We are careful not to ask people too many times for money," says Michael Frick, associate vice president for development. "We never want them to think that short-term money is more important than our long-term relationship."

All together, M. D. Anderson mails four appeals to approximately 100,000 active donors every year, in addition to sending about 2 million pieces aimed at acquiring new donors. These mailings are continually tested, tweaked and personalized, Lappetito says. "As we continue to add personalization and localization to our control package, it performs better," she adds. For example, M. D. Anderson has found that a mail piece is more likely to generate a

**RECOGNITION**  
**REWARD:** Mailers are used to express appreciation and offer donor loyalty club members a constant reminder of how their contributions are valued.

response when it mentions the city in which the recipient lives, contains a map with that location marked with a star and notes how many patients in the recipient's area have been treated at M. D. Anderson.

### STAR POWER

M. D. Anderson also added a loyalty-building component to its donor acquisition package last year. The institution sent out a "Star Card" featuring a potential donor's name, membership number and a design based on the Lone Star of Texas. The card doesn't provide discounts or generate rewards points, but M. D. Anderson hopes it fosters a sense of belonging among recipients.

The Star Card mailings allowed M. D. Anderson to increase the number of new donors it acquired last year, despite a down economy, Lappetito says. And when Epsilon compared the response rate to that of a control package without the Star Card, the company found that the mailing that contained the card generated a 19-percent greater response, with no change in average gift size. In addition, the mailing generated a cost-per-dollar-raised — which is the total cost of the mailer divided by total revenue — that was 8 percent lower than that of the control package.

The Star Card was not especially flashy or expensive. In fact, slick campaigns almost never work as well for M. D. Anderson as do low-gloss, high-touch mailings, Frick says. "Sometimes what looks like a gorgeous, unique and strong package [one that wins design awards] is terrible for fundraising," he says.

"Something plain and relatively simple and inexpensive is far more effective," Lappetito concurs. "Every year we test new direct mail packages, including four-color pieces in glossy envelopes. But they never work as well as the plain-but-personal approach."

### THE PERSONAL TOUCH

Indeed, when donors make their first contributions, M. D. Anderson mails them a personalized "welcome kit" that asks about the areas of research and patient care in which they are most interested. In addition, all subsequent mailings include donors' names and addresses as well as variable data copy that creates relevant messaging for donors. Copy includes their Donor Loyalty Club levels and the areas in which they live.

Also key to the strategy is the tone of the mailings. Some conversations with donors make appeals to their emotions, others to their intellect — but they are always measured and informative. For instance, while a letter

might tell the story of a patient who has recovered from cancer, it also will include specific details about some of M. D. Anderson's latest research. "We will not use alarmist fundraising at all," says Frick, explaining that such scare tactics are inconsistent with the goals of the institution. "Cancer is a serious topic, and we approach each letter as an educational opportunity."

Not only does M. D. Anderson get to discuss its efforts with donors; it also gets a chance to learn more about its mail recipients. Frick says cultivating both opportunities has helped M. D. Anderson develop strong donor relationships: "It's this combination of personalization, respect and recognition that fosters continued donor participation."

*Editor's Note: Curious about what types of cancer are represented by the lipstick colors on the previous pages? See "The Beauty of Giving" on delivermagazine.com for an explanation.*

## What Other Nonprofits Can Learn from the M. D. Anderson Approach

Since it began its loyalty program, M. D. Anderson's philanthropic direct mail revenue has increased by more than 500 percent. Here's how other charities can profit from the marketing example set by M. D. Anderson:

**One:** Use direct mail to educate. Focus on a specific faculty member's research, a physician's patient treatment programs or a successful clinical trial to demonstrate commitment to remaining on the forefront of research.

**Two:** Eschew alarmist fundraising. Be serious and respectful. Never say someone will "die without your help." Such messages capitalize on the recipient's fear and guilt, and ultimately undermine donor loyalty.

**Three:** Focus on the long-term relationship. Express gratitude without asking for money so donors feel cared about and appreciated, while making them more likely to remain committed to the organization.

**Four:** Be transparent. Tell donors how their funds are being used. This demonstrates fiscal responsibility and reminds them they are part of something larger than themselves.

**Five:** Personalize and localize. Align direct mail packages with the recipient's location and interests to get better results.

**Six:** Test rigorously and continuously. Test mailings and try new approaches every year for consistent improvement and strong results.



PHOTOGRAPH BY FLYING FISH STUDIOS

# LASTING IMPRESSIONS

The Xerox 1:1 Lab shows how highly personalized marketing messages are leaving imprints on consumers.

BY CHANTAL TODÉ

**S**URE, PLENTY OF DIRECT MARKETERS and print ad specialists will talk a good game about how personalization and other newer techniques can lift your bottom line. But at Xerox, the experts have developed a mail-marketing program — known as the “1:1 Lab” — that’s designed to help them back up the boasts.

“We’ve told the story a lot about how response rates and return on investment improve with the use of full-color printing and relevant data,” says Shelley Sweeney, vice president and general manager of the service-bureau and direct marketing sector for Xerox’s graphics communications business. “But we really needed to prove it to people in a way that gives a true A/B comparison.”

Most high-level corporate marketers understand that personalization works. However, many brands fail to take

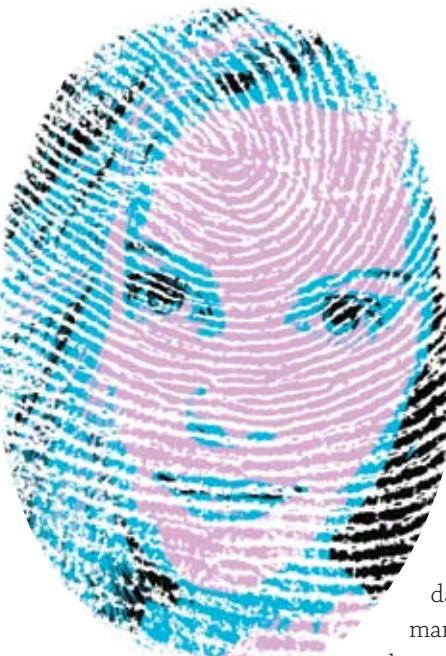
advantage of the power of mail personalization because they don’t or can’t gather the consumer information critical to such precise targeting, Sweeney says. “Customer data is by far the most important thing to a successful direct mail campaign, which is what we are trying to prove in the lab,” she adds. “Most marketers have the data, but it might be in three or four different places.”

Without a certain depth of information about customers, such as when they last made purchases, marketers will find it impossible to create truly relevant messages. In fact, Sweeney says, Xerox regularly turns away candidates for the 1:1 Lab because the marketing department can’t compile customer data from the disparate departments.

Despite its name, the 1:1 Lab isn’t a physical place, although it was indeed born in a high-tech Xerox printing facility in Canada some years ago. Since expanding beyond the Canadian marketplace, the effort has become a “virtual”

SEAN ELLIS, PHOTOGRAPHERS CHOICE, GETTY IMAGES





program in which Xerox and its partners around the globe blend their expertise with the company's latest technology to underscore how personalization increases a message's relevance to mail recipients.

Under the program, Xerox fits select clients' existing mail campaigns with a variety of variable data printing (VDP) solutions. The marketing offer and creative are largely the same as the original mailer, with the biggest difference being the increased personalization of the 1:1 version. The Xerox Graphic Communications customer and direct marketing provider then print and mail out the revamped pieces, at no cost to the client, to measure how well the new mailers do as compared to the less-personalized versions. The hope at Xerox, of course, is that successful tests of its mailers will encourage client marketers to use a customized direct mail approach (and Xerox's expertise) in full-blown direct mail campaigns.

Xerox completes about 10 tests a year in the 1:1 Lab, including several with well-known national brands. Typically, Xerox picks test candidates with robust customer data that are willing to publish any results. Once it chooses a candidate, Xerox teams up with that marketer's production partner and any other strategic partners involved with the campaign.

## GETTING RESULTS

So far, many of Xerox's clients are citing increased response to the personalized mailers. For instance, one recent test involved a 529 college savings fund. Dissatisfied with contribution levels, the fund administrators worked with the 1:1 Lab to revise a critical direct mail piece. The new version included graphics that projected how much money the targeted fund participant could save up by the time his or her child was ready for college. Additional graphs showed how greater contributions could boost the growth of the target's account. Recipients of the personalized mailer upped their contributions levels at a higher rate than those receiving the traditional letter with no graphs, according to Sweeney.

"It really is a way, with no effort on the part of the end client, to be able to prove how successful direct marketing can be when it is not just spray and pray," Sweeney says.

Find out how Canon is winning over new converts with variable data print technology at [delivermagazine.com](http://delivermagazine.com).

## Perception Isn't Reality

Variable data printing (VDP) solutions like those offered through the Xerox 1:1 Lab go a long way toward increasing the relevance of a product or service to consumers — but marketers' perception of the relevance of their messages may be a far cry from how consumers really view them.

How to shrink this gap?

"Remember that relevance is in the eye of the beholder," says an independent study titled "Marketers: Stop the Abuse! Adopt Preference Management," Forrester Research Inc., July 2009.

The study reports, "It's baffling that 80 percent of marketers can claim that customer preference is a key factor in determining which message is sent to customers when only a handful even ask how often customers would like to hear from them."

Findings in the report show:

- **Only 33 percent** capture customers' preferred method of message delivery.
- **A similar number (29 percent)** capture the type of content that customers want to receive.
- **Only 12 percent** capture customers' preferred frequency for receiving marketing e-mails.
- **8 percent** capture preference for receiving direct mail and telemarketing calls.
- **30 percent** of marketers who capture at least one type of preference data take no action based on that preference.

Clearly, it's time more marketers stopped guessing at what their customers are thinking and started actually asking.

## CONTENT IS KING

Of course, there are many other marketers who do collect a wealth of vital data, and theirs are the brands that benefit most from the Lab. Consider, for instance, Ford Motor Co. The carmaker was using basic personalization — such as customers' first names and the vehicles that they owned — in a recent direct mail campaign to promote extended service contracts. However, when response rates topped out at about 2.5 percent, the company looked for other ways to maximize ROI on the mailers. "We were doing a mediocre job of giving customers a reason to respond," admits Mark Bardusch, Ford's national sales and marketing manager of extended service business.

Ford's production provider for the campaign, Budco, recommended the 1:1 Lab. As a first step to reworking the mailer, Bardusch and Budco marketers pulled together an abundance of customer data from various departments, including vehicle type, length of ownership, address, age, income and gender.

"By combining the different sets of data and looking really hard at how we could connect the data with the messaging, we were able to build messages that speak to the reasons why having an extended service contract is important to different customers," says Jeff Sierra, vice president of marketing and product development for Budco. "For example, a woman with a family might receive a mailer with an image of a family and the car that she owns."

For the 1:1 Lab test, Ford mailed more than 20,000 pieces to owners of Ford F-150 trucks whose factory warranties were near expiration. The mailer was done in two formats: a black-and-white letter with the Ford logo in color, and a full-color self mailer. Each format then had two versions: one with basic personalization such as the recipient's first name (such as Ford had been sending all along) and the other with more personalized messaging and greater VDP content.

The test ran from November 2008 to February 2009, as the U.S. car industry teetered on the brink of collapse and as automakers

Belinda, will you have it when you really need it?  
Did you notice that the factory warranty on your 2005 F-150 4X4 will expire on March 9, 2009, or at 36,000 miles – whichever comes first?  
Your opportunity to enroll in a Ford Extended Service Plan is also running out!

Protect your F-150 4X4 pick-up  
for up to 7 years or 100,000 miles!

ACT NOW!



**TEST DRIVE:** Ford found that, no matter whether color was used or not, personalizing its mailers helped achieve a greater response rate and an increase in sales penetration.

testified before Congress in an attempt to garner government aid. Despite these events, the personalized self-mailer with a wide variety of VDP content still achieved a 5.7-percent increase in response rates and a 35.7-percent increase in sales penetration as compared to the original mailer with much less personalization. "With mail, they can comfortably investigate the service contract that best fits their needs," Bardusch says.

Based on the success of the test, Ford began this past September rolling out the VDP strategy across its entire direct mail program for extended service contracts. This will eventually result in more than 2 million pieces of relevant mail annually, Bardusch says. And the company will continue to test various formats for VDP content, including letters and self-mailers. "We always felt that if we learned more about customers and the customers could have a better understanding of us, we would do more business together," Bardusch says. He adds that by personalizing each offer, Ford also was better able to communicate its product selection.

Xerox's Sweeney says that the successes of campaigns such as Ford's only do more to back up the contention by those at the 1:1 Lab that rich VDP efforts can translate into deeper customer relationships. "When a company starts looking at customer data from an overall point of view, it is able to start creating more relevant messaging and drive results from its direct mail," she says. □

# Mail to the Max

Ryan Vero of OfficeMax explains how mail makes the retailer stand out.

Interview by Chantal Todé | Photograph by Ryan Robinson



**OFFICE MEMO:** OfficeMax's Ryan Vero notes that segmenting efforts are helping the company better determine the type of offers, communications and messages to send to a particular customer.

Office supply retailer OfficeMax has earned high praise in recent years for carving out well-fitting places for itself across a variety of media. While some of the kudos in recent months have been in response to its digital campaigns, the company also is gaining attention for its work in more traditional channels.

Direct mail initiatives continue to loom particularly large at OfficeMax. For instance, it still offers a variety of catalogs. Also, mail plays a central role in helping the retailer understand specific customer segments. *Deliver*® reached out to Ryan Vero, executive vice president and chief merchandising officer at OfficeMax, to talk about why mail remains a mainstay in the company's media mix.

**DELIVER:** Has the economy affected your direct mail marketing efforts?

**VERO:** Direct mail is one of the areas of marketing to which we have remained committed. That's because even with the economic downturn, it's a tremendously effective vehicle for us — and historically has been. Catalogs still are part of the mix, but more recently we've been doing a lot of non-catalog direct mailing both for prospecting purposes and to continue the dialog with our small- and large-business customers. Direct mail lets us send targeted communications to specific customer segments in a cost-effective way.

**DELIVER:** What segments are you targeting these days?

**VERO:** We're focusing our marketing communications more on our female customers. In general, women control the majority of purchasing for individual consumption, but more important for us, for business consumption, too. However, we noticed that this customer was not being taken care of in the office industry in general. Direct mail gives us the opportunity to send very targeted communications to this customer segment that specifically address her needs. So far, the response rates have been very good.

**DELIVER:** What's helping you better understand customer needs?

**VERO:** We've updated and refined our modeling efforts in the past year across various customer segments, and even sub-segments within these larger groups. It's helping us better identify the type of offers, communications and messages to send to a particular customer. Working with the customer data provided through our MaxPerks customer loyalty program, we can ascertain a lot about a customer and model them against other customers. This gives us insight into how effectively we have communicated with the customer in the past. We can determine

what savings opportunities they're not taking advantage of, or which ones we should show them. For example, a customer who purchases presentation materials also is likely to need to make copies for those presentations. If those customers aren't making any copies with us, we can send a relevant direct mail offer with an incentive to try our copying services.

**DELIVER:** Are you getting any surprising responses?

**VERO:** For years, we've been sending out an acquisition letter that comes from me personally. It's amazing the number of times I get a note back from someone thanking me for sending them a letter and telling me something about their experience with OfficeMax. This is a terrific level of engagement with our customers, and it's driven by direct mail. In fact, the response to this campaign has increased over time. It's a reflection of how special it is to get a personalized letter these days.

**"For years, we've been sending out an acquisition letter that comes from me personally. It's amazing the number of times I get a note back from someone thanking me for sending them a letter and telling me something about their experience with OfficeMax."**

**DELIVER:** Any other efforts you're particularly proud of?

**VERO:** A direct mail campaign we used to bid on the business of a large bank. We sent top executives a metal suitcase filled with stacks of paper money. The top bill of each pile communicated some of OfficeMax's services and solutions. Inside there also was an MP3 player loaded with videos we produced of our executives talking about how OfficeMax would serve the bank's needs. It helped us break through the clutter and get our message in the hands of a number of senior executives at the bank with a targeted communication that spoke directly to them.

**DELIVER:** What new trends do you think will change the way we market?

**VERO:** I find it inspiring that we're getting very close to a cost-effective rate for variable data printing for high-volume mailers. There's been a lot of talk about being able to do true one-to-one direct mail, but so far it's been more theory than reality. Sure, you could do it from a technological standpoint and get better response rates, but the higher costs meant the return was a lot lower. However, as the costs have compressed and the technology has improved, I'm optimistic that we're going to achieve true one-to-one marketing on a large-scale basis sooner rather than later. **a**